

# Investor Presentation Consolidated 12M-2021



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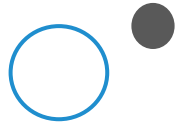
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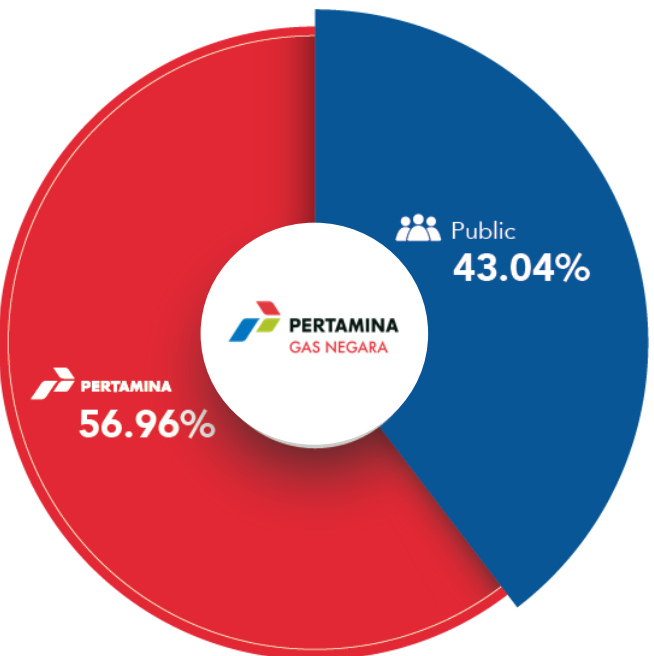
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# Company Overview

# The Subholding Gas Co.



## Vision

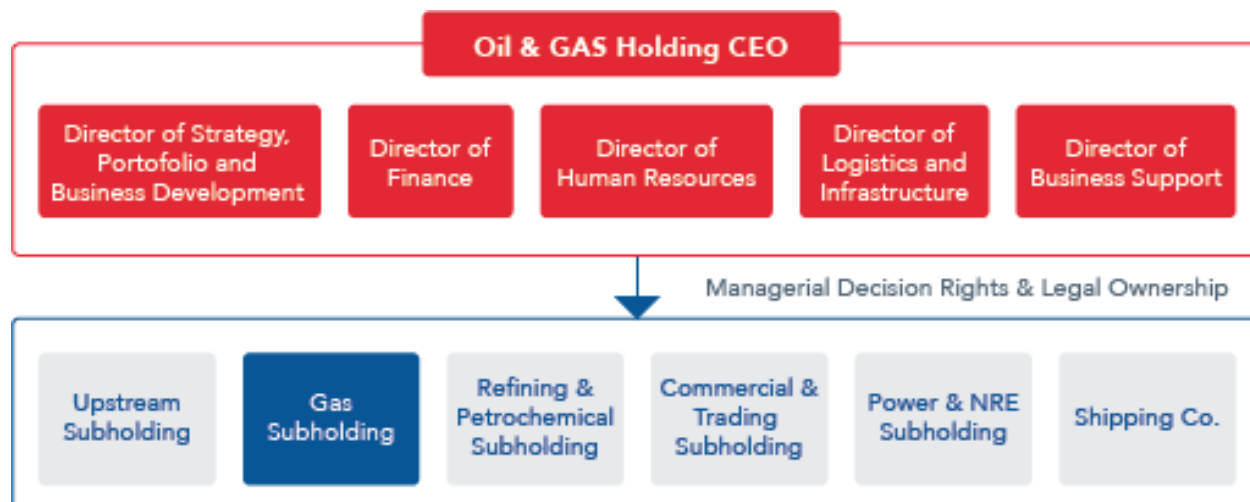
To be World Leading National Gas Company for a Sustainable Future and National Energy Sovereignty.

## Mission

Conducting gas business in Midstream, Downstream, and Other supporting businesses that committed to increasing value for all stakeholders through:

1. Providing gas and developing infrastructure to utilize gas as energy and raw materials to create optimum value for the benefit of customers and society;
2. Creating added value for shareholders and employees, environmentally sound, has the advantage and prioritize safety;
3. Carry out the principles of professional, responsible and sustainable management of the Company;
4. Organizing other businesses to support gas utilization and sustainable business management.

## Gas Transformation, Oil & Gas Holding and Gas Subholding Role



## Oil & Gas Holding Role:

1. Develop Business Portfolio and Synergies among Pertamina Group
2. Accelerate New Business Development
3. Carrying out the Mandate as a Development agent for National Energy Independence

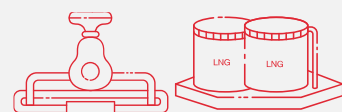
## Subholding Role

1. Running the Business end to end, And Encouraging Operational Excellence
2. Accelerate Business Development and Capabilities in the Existing Business Environment
3. Increase Capability and Flexibility in Partnership and Financing

# Business Portfolio

## UPSTREAM

Natural Oil And Gas Production  
Natural gas reserves in Indonesia are larger than oil. Saka Energi Indonesia is a subsidiary of PGN that has business activities in the upstream business.



## MIDSTREAM

Through TGI, KJG and Pertagas, PGN Maintain a very high reliability and operational infrastructure security. FSRU Converts LNG into high-quality natural gas. PGN has 2 (two) FSRUs namely FSRU Lampung and FSRU West Java and also land base regasification facility in Arun through Pertagas

## DOWNSTREAM



### Gas Transport Module (Gas Link)

Gas Link is a solution for channelling natural gas to location that are not connected to a gas pipeline



### Commercial Customers

MRU is the solution for natural gas filling station for trantation using CNG technology



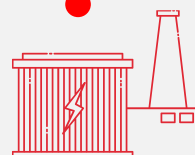
### Commercial Customer

Efficiency and reliability are important factor in distributing energy to commercial customers. PGN in this case can fulfil these needs



### Gas Filling Station (SPBG) and Mobile Refueling Unit (MRU)

Subsidiary, Gagas Energi Indonesia operates 16 SPBG at 11 cities in Java and Sumatera



### Power Plants

Power plant made from gas fuel is more environment friendly compared to oil fuel or coal



### Household Customer

PGN has distributed gas to more than 400,000 household customers in 52 cities/regencies all over Indonesia



### Industrial Sector

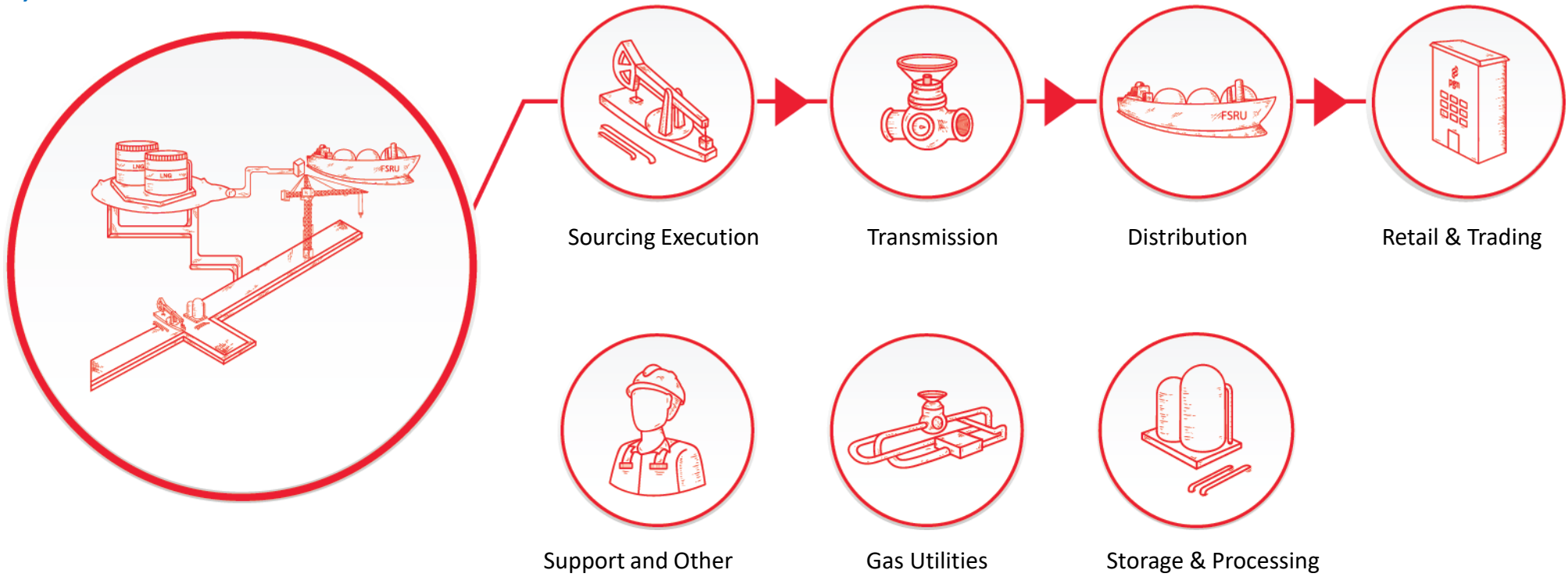
Indonesia's growth is driven by the growth of its industrial sector. PGN continues trying to encourage fuel usage efficiency by distributing natural gas to various industrial area in Indonesia





# Business Capability

## Pipeline Gas, CNG and LNG



# Domestic Business Area & Portfolio



## Pipeline Network

- Distribution 5,703 km
- Transmission 5,073 km

## Gas Infrastructure

- Total gas pipeline network  $\pm 10,776$  km
- 2 FSRUs + 1 land bases regasification terminal
- 12 Gas Fueling Stations, 4 MRUs
- 2 LPG processing plant (stripping & compression)
- Transporting Gas in FY2021 1,352 MMSCFD
- Distributing Gas in FY2021 871 BBTUD
- TUA (Terminal Usage Agreement) Volume 29 BBTUD

## Oil Transportation Business

Oil transportation volume by Pertamina Gas in FY2021 reached  $\pm 9,706$  BOEPD

## Gas Processing Business

- Production of LPG in FY2021  $\pm 93$  TPD
- LNG Regasification by PAG in FY2021  $\pm 88$  BBTUD

## Upstream Business

- Total assets 10 blocks (6 blocks in operation, 4 blocks in exploration)
- Oil and gas lifting  $\pm 8.8$  MBOE



# Board of Commissioners

(as of 3 May 2021 – Resolution of the Annual General Meeting of Shareholders)



President Commissioner  
**Arcandra Tahar**

- Master and Ph.D. of Ocean Engineering – Texas A&M University
- Having no affiliation with other members of the Board of Directors and the Board of Commissioners, as well as majority and/or controlling shareholders
- Previously served as Vice Minister Energy and Mineral Resources of Republic of Indonesia (2016 –2019)



Independent Commissioner  
**Dini Shanti Purwono**

- A Master (LL.M) of International Finance Law from Harvard Law School.
- Having no affiliation with other members of the Board of Directors and the Board of Commissioners
- Previously served as Special Staff to the President of the Republic of Indonesia



Independent Commissioner  
**Paiman Raharjo**

- A Master of Economic Administration from the University of Prof. Dr. Moestopo and Doctor of Administrative Sciences from Padjajaran University
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



Independent Commissioner  
**Christian H. Siboro**

- A Master of Business Administration & Management from PPM Graduate School of Management and Paris School of Business.
- Having no affiliation with members of the Board of Directors and other members of the Board of Commissioners, as well as major shareholders and/or controllers.



Commissioner  
**Warih Sadono**

- A Master of Law from University of Padjadjaran and Doctoral Degree from University of Airlangga
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as Expert Advisor of Implementation of Strategic Policy in Ministry of State-Owned Entities (BUMN)



Commissioner  
**Luky Alfirman**

- A MA and PhD in Economic, University of Colorado
- Having an affiliation with the Republic of Indonesia as the controlling shareholder, in his position as General Director of Funding & Risk in Ministry of Finance

# Board of Directors

(as of 3 May 2021 – Resolution of the Annual General Meeting of Shareholders)



President Director  
**M. Haryo Yudianto**

- A Master of Management from Universitas Pembangunan Nasional Jakarta and Bachelor of Law from Universitas Islam Indonesia.
- Serves as President Director of PGN since May 3, 2021.
- Previously served as Corporate Services Director of PT Pertamina (Persero)



Director of Sales & Operation  
**Faris Aziz**

- Master of Management from University of Sumatera Utara (USU).
- Serves as a Director of Commerce since May 15, 2020.
- Last position as SVP Supply Distribution & Infrastructure PT Pertamina (Persero)



Director of Infrastructure & Technology  
**Achmad Muchtasyar**

- A Master degree in Industrial Technology from University of New Haven
- Serves as a Director since May 3, 2021.
- Previously served as the Director of Business Development of PT Rekayasa Industri (REKIND)



Director of Finance & Risk Management  
**Fadjar Harianto Widodo**

- Bachelor Degree of Management from University of Diponegoro.
- Serves as Director since May 3, 2021.
- Previously served as SVP Controller PT Pertamina (Persero) and Director of Finance & Business Support of PT Pertamina EP



Director of HR and Business Support  
**Beni Syarif Hidayat**

- Bachelor of Social and Political Science from University of Padjadjaran, Bandung.
- Serves as HR and General Affairs Director of PGN since May 15, 2020.
- Last position as SVP Human Capital Management PT Pertamina (Persero)



Director of Strategy & Business Development  
**Heru Setiawan**

- A Master of Business Administration (MBA) from Montreal, Canada and Bachelor of Mechanical Engineering from Bandung Institute of Technology (ITB).
- Serves as a Director since May 3, 2021.
- Previously served as Director of Planning, Investment & Risk Management PT Pertamina (Persero)

# 12M-2021 Highlights

**USD 304  
Million**  
(+215% YoY)

**Net Income**



**USD 3,036  
Million**  
(+5% YoY)

**Revenue**



**USD 855  
Million**  
(+23% YoY)

**EBITDA**



**USD 7,511  
Million**

**Total  
Assets**



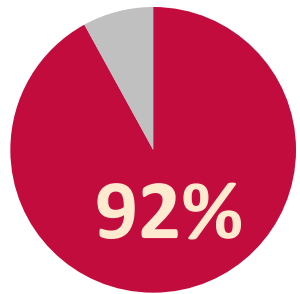
**USD 309  
Million**

**CAPEX**



**871 BBTUD**  
(+5%)  
YoY

**Gas  
Commercial**



**Market Share**



**10,776  
KM**

**Pipeline  
Network**



**100%**

**Infrastructure  
Availability**



**2,464**  
Industries &  
Commercials



**1,896**  
Small  
Businesses

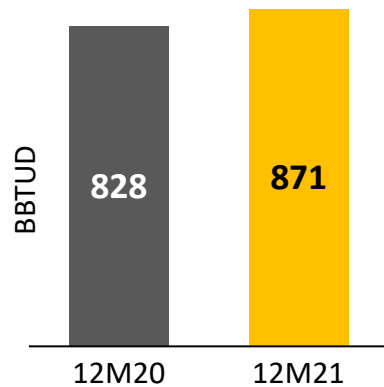


**659,517**  
Households

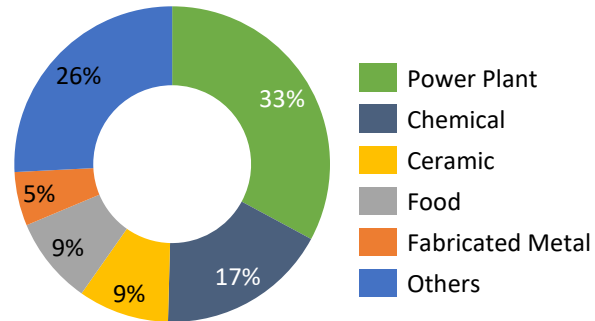
# 12M-2021 Updates

# 12M-2021 Operational Updates

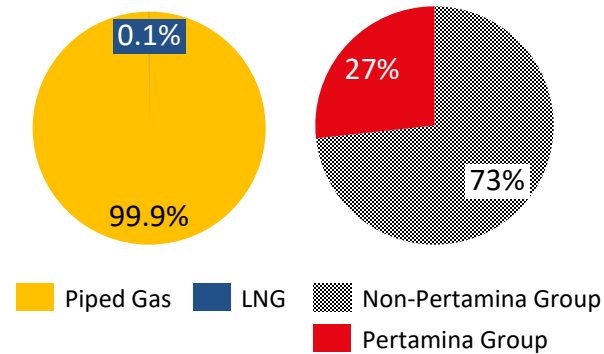
## Gas Commercial



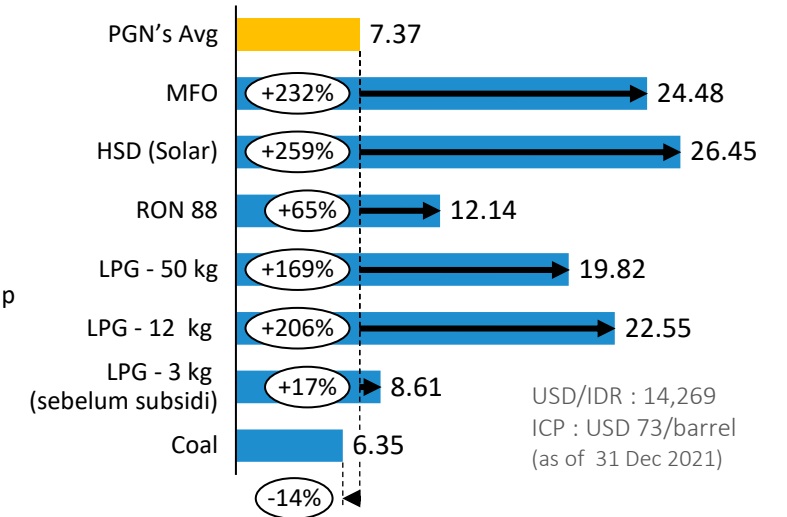
Industrial | Consumption  
To Total Sales Volume



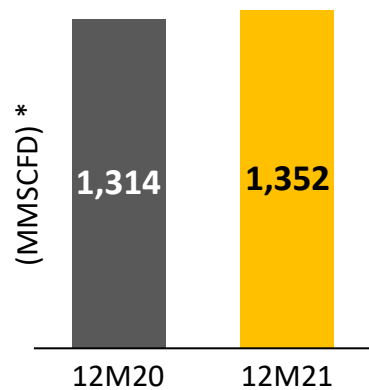
Gas Sources  
(as of 31 Dec 2021)



PGN's ASP vs Other Energy  
(USD/MMBTU)

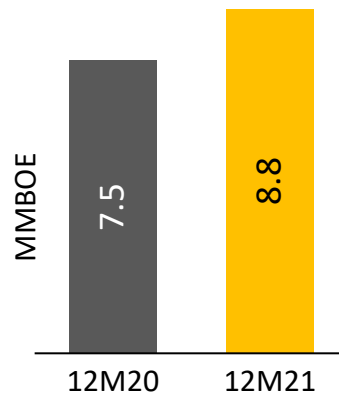


## Gas Transmission

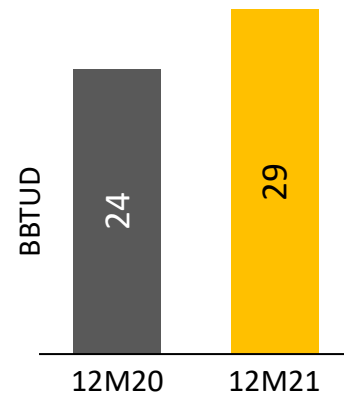


\*) Excl. TGI Volume

## Oil and Gas Lifting



## TUA Volume FSRU Lampung



## Business Highlights

Improving consumption from industries and commercial customers as well as power sector contributes to higher gas commercial volume.

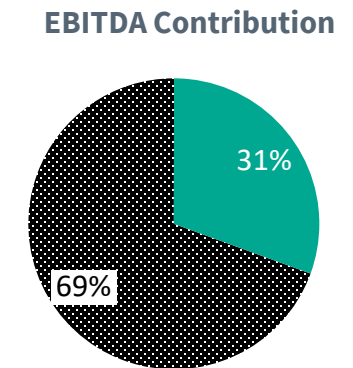
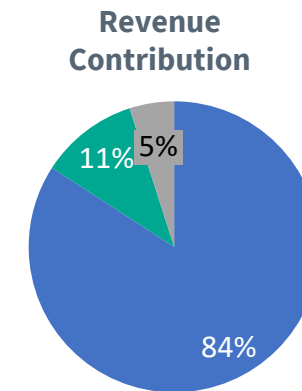
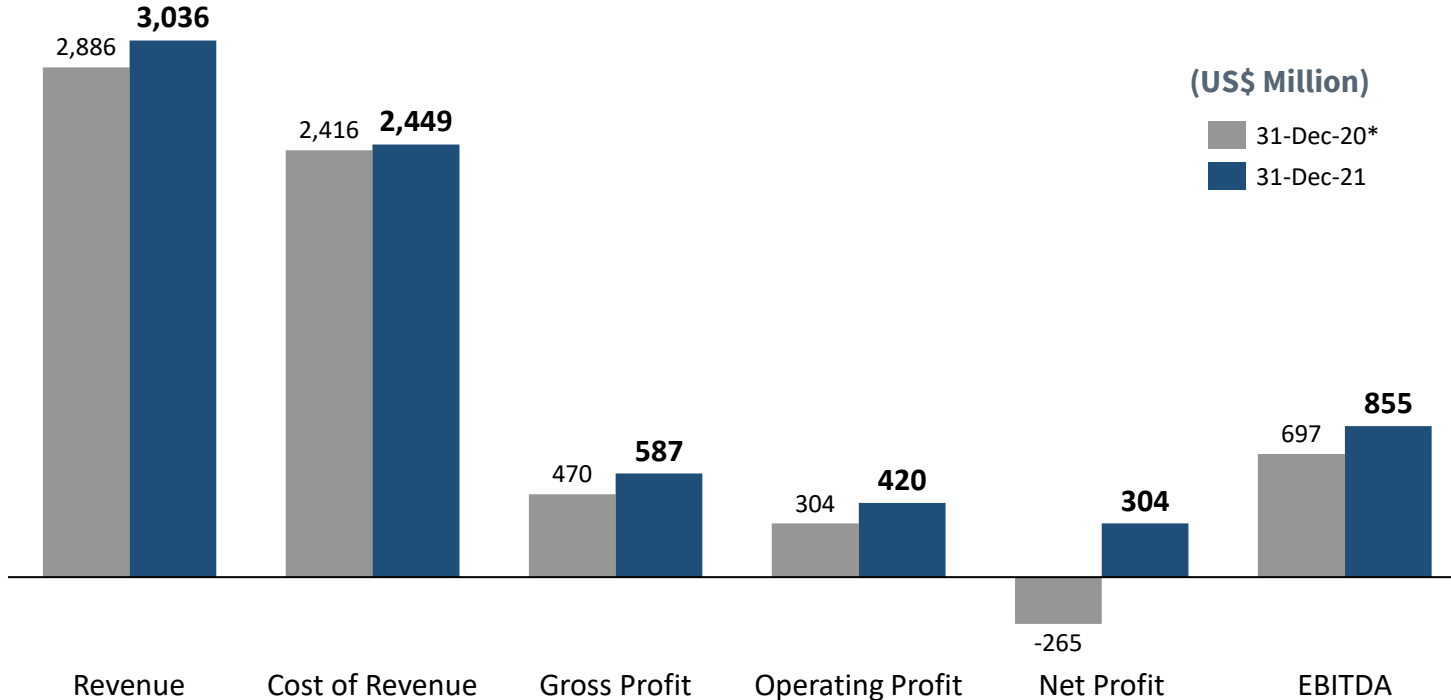
Natural gas remain competitive compared to oil related fuel.

Higher lifting volume was contributed from West Pangkah & Sidayu block as well as production of Kepodang wells in Muriah block starting in February 2021



# 12M-2021 Financial Updates

## Consolidated Income Statement



Commercial & Transmission Others  
Upstream Commercial, Transmision & Others

- **Higher Revenue** mainly driven by higher contributions from upstream business segment.
- **Increasing Net Profit** mainly contributed from higher operating profit, profit from joint ventures, gain in forex combined with the reversal of provision from tax disputes.
- **Increasing Consolidated EBITDA** mainly contributed from higher operating profit as well as increasing performance from upstream segment.

Remarks:

\*) As reclassified

# 12M-2021 Financial Updates

## Consolidated Balance Sheet

(US\$ Million)

Balance Sheet	31 Dec 2020	31 Dec 2021
TOTAL ASSETS	7.534	7.511
TOTAL LIABILITIES	4.579	4.226
TOTAL EQUITY	2.955	3.285

# 12M-2021 Financial Updates

## Consolidated Cashflow

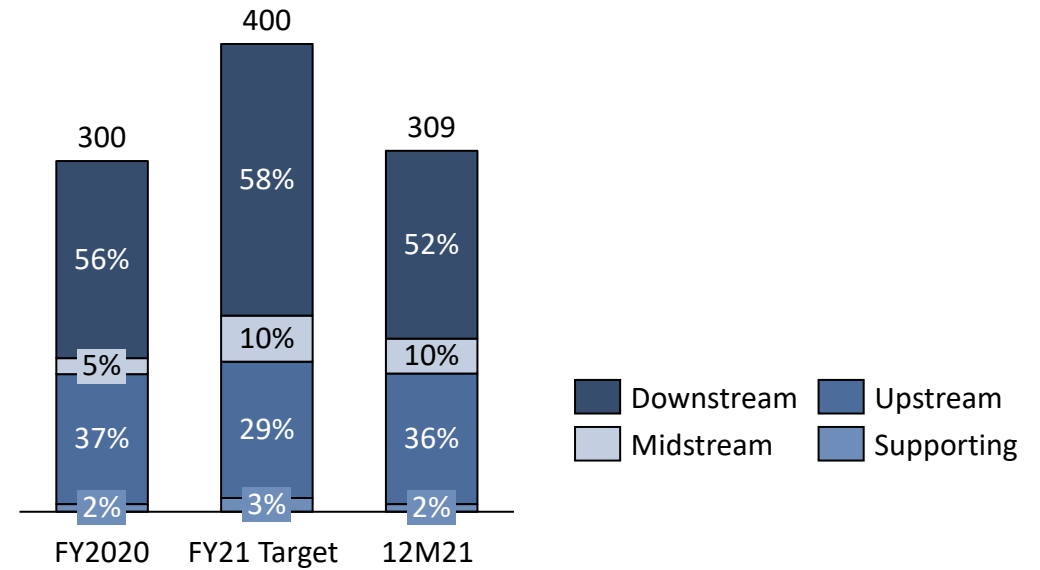
(US\$ Million)

Cashflow	31 Dec 2020	31 Dec 2021
Beginning Balance	1.040	1.179
Cash flow from operating	417	583
Cash flow from investment	41	(118)
Cash flow from financing	(313)	(134)
Foreign Exchange Impact	(7)	(7)
Ending Balance	1.179	1.503

**Increasing Consolidated Cash Flow** mainly driven by repayment of short term loan and dividen occurred last year as well as higher cash flow from operating activities

## CAPEX

(US\$ Million)



Financial Ratio	31 Dec 2020	31 Dec 2021
EBITDA Margin	24%	28%
EBITDA /Interest Expense (x)	4.1	5.6
Debt-to-Equity (x)	0.9	0.7

# **Strategic Projects & Investment Updates**

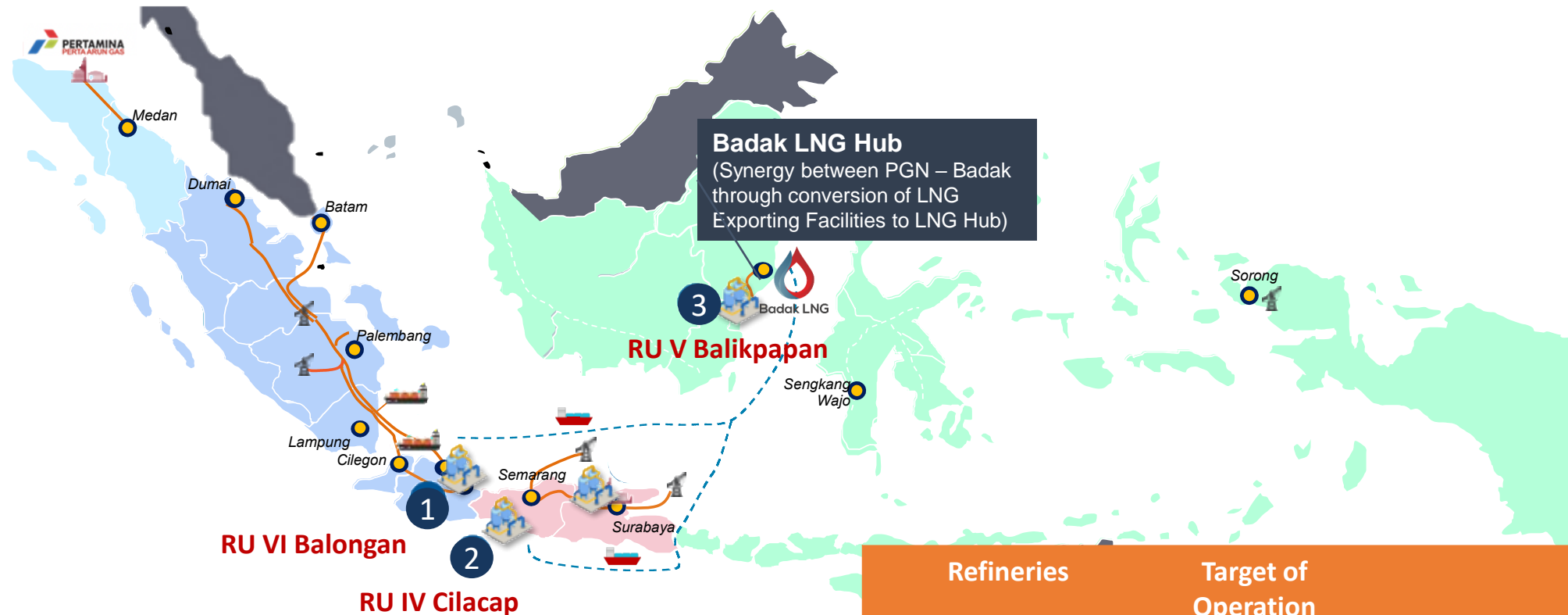
(as of 31 December 2021)

# Crude Oil Transportation Pipeline Rokan



DESIGN	TARGET OF OPERATION	PROGRESS
<ul style="list-style-type: none"><li>• Pipe Length : 367 KM</li><li>• Pipe Diameter 4" – 24"</li><li>• Potential Volume: 265.000 BOPD</li></ul>	<ul style="list-style-type: none"><li>• Partial Operation: Q1-2022</li><li>• Overall Operation: Q2-2022</li></ul>	<ul style="list-style-type: none"><li>• Mechanical Completion of Pipeline Construction</li><li>• Ready for partial oil-in Duri CGS10 - Dumai</li><li>• Overall Project : 98,6%</li></ul>

# Oil to Gas Conversion for Refineries



**Total Potential Volume : ± 351 BBTUD**

Refineries	Target of Operation	Progress
1. RU VI Balongan	August 2021	PGN and PT Kilang Pertamina Internasional (KPI) has signed GSPA for RU IV Balongan on 30th July 2021 up to 30 BBTUD and has successfully distribute the initial natural gas (gas-in) at the end of August 2021.
2. RU IV Cilacap	September 2023	Tender of EPC Contractor (Pipeline & Storage Facility)
3. RU V Balikpapan	January 2023	Re-tender for Material Procurement & EPC Contractor (Pipeline Facility)



# Oil to Gas Conversion for Power Plants



## Quick Win Sorong

Vol : 8 BBTUD  
Gas-in January 2021

## Phase I: 6 Cluster, 33 locations:

Vol : 83.74 BBTUD

**Nias:** Logistic scheme agreement with PLN and provider tender process  
**Other Cluster:** Completion of development options (supply source, logistic scheme) & technology selection to obtain the most optimal supply chain

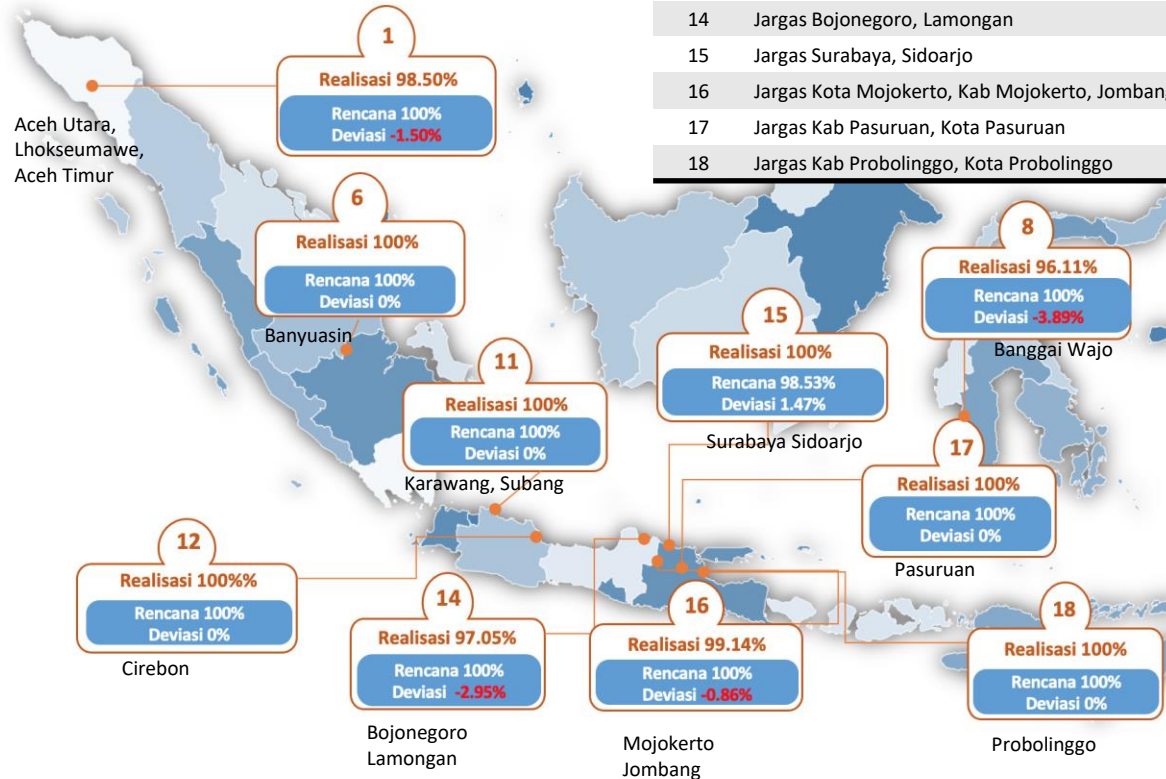
## Phase 2

TBA (will be based on new RUPTL 2021-2030)

# City Gas Project

APBN 2021 : 126,876 SR

No Paket	Nama Paket
1	Jargas Aceh Utara, Lhokseumawe, Aceh Timur
6	Jargas Banyuasin
11	Jargas Karawang, Subang
12	Jargas Kota Cirebon, Kab. Cirebon
8	Jargas Banggai, Wajo
14	Jargas Bojonegoro, Lamongan
15	Jargas Surabaya, Sidoarjo
16	Jargas Kota Mojokerto, Kab Mojokerto, Jombang
17	Jargas Kab Pasuruan, Kota Pasuruan
18	Jargas Kab Probolinggo, Kota Probolinggo



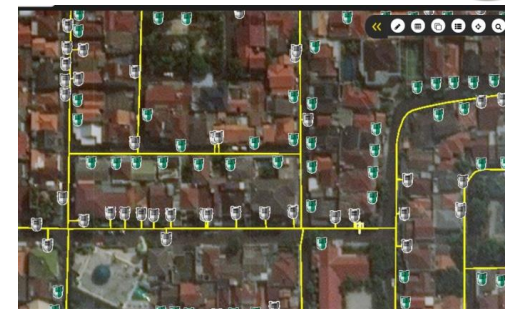
## Progress:

Phase : 10 construction packages (21 cities/regencies)  
 Progress : 98.87% from planning 100.00%

PGN 2021 : 50,000 SR



## Market Penetration



Jaringan Pipa Gas Rumah Tangga



Eksisting Meter Pelanggan



Potensi Penetrasi



## PGN Mobile



## Proses Digitalisasi

Download aplikasi  
**PGN Mobile** (Play  
 Store & App Store)

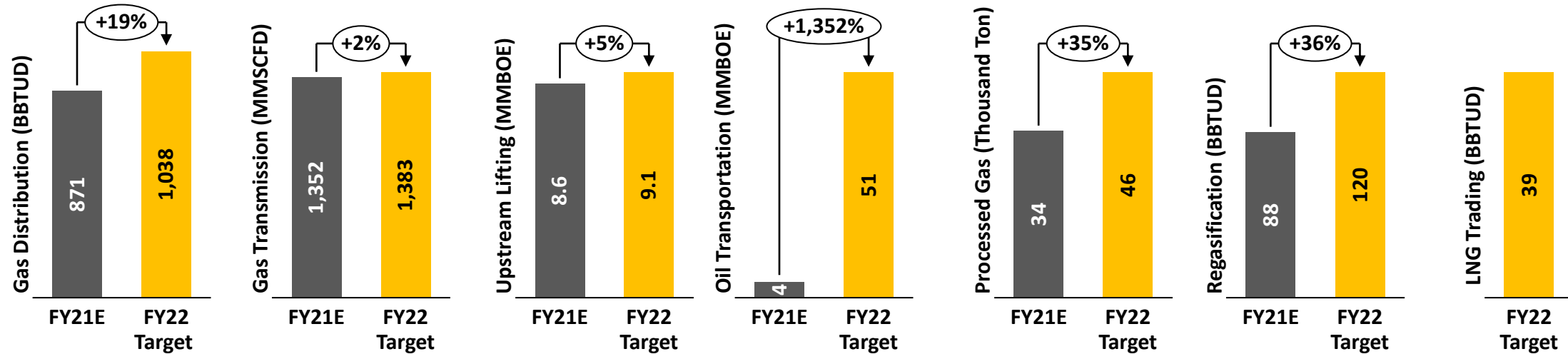
## Progress:

- Customer's registration : 56,228 SR
- Progress : construction of 51,945 SR

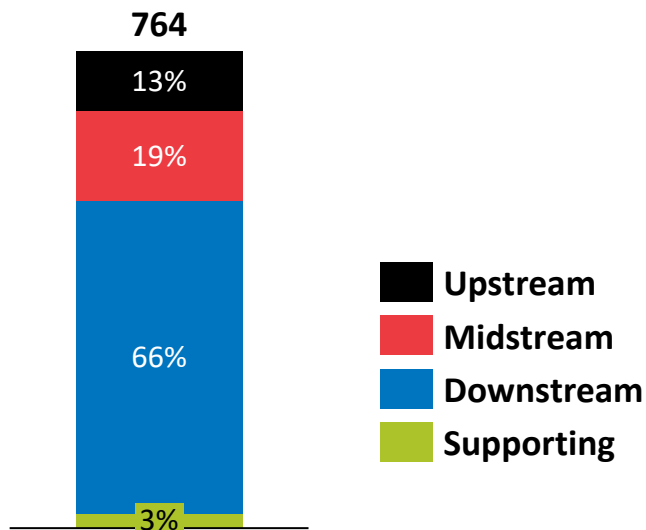
# **2022** Corporate Guideline

# 2022 Corporate Guidance

## Operating Metrics & Financial Indicator



### EST. CAPEX 2022 (USD Million)



## BUSINESS FOCUS

### Development of Infrastructures:

- (1.) Distribution pipelines in Java and Sumatra
- (2.) Completion of gas transmission pipeline
- (3.) Oil and gas transportation pipeline
- (4.) City gas development

### Distribution expansion:

- (1.) Beyond Pipeline (LNG, CNG)
- (2.) Distribution expansion throughout archipelago

### KEY ASSUMPTIONS:

- (Based on State Budget 2022)
- Exchange Rate USD/IDR : 14,350
  - Inflation: 3.0%
  - Oil Price (ICP): USD63/barrel
  - GDP Growth 5.2%

### PRESSURE ON GROWTH

- Weakening US Dollar against Rupiah
- Supply Shortage Unable To Keep Up with Demand Growth

## **HEADQUARTER**

Jl. K.H. Zainul Arifin No. 20, Jakarta, Indonesia

### **Investor Relations:**

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